

GOVERNMENT OF ANDHRA PRADESH
FINANCE (WORKS & PROJECTS) DEPARTMENT

MEMO.NO. 103276/F3(2)/05-3.

DT. 8-12-2005.

Sub:- Public Works - Payment of Mobilization Advance on Machinery-
Clarifications - Issued. - RegRef:- From the D.W.A. Hyd., L. Ref.No. DWA/S.II/A.8/2005-06/487
dt. 10-10-2005.

It is observed that different Public Works Engineering Departments are following different norms in the payment of Mobilization advance. It is also understood that there are certain ambiguities in the payment of Mobilization Advance. The agreement conditions are also not clear in regard to the type of machinery eligible for Mobilization Advance etc. This is leading to different Pay & Accounts Officer's interpreting it in their fashion and admitting the bills. The Director of Works Accounts sought certain clarifications in this regard in his reference cited.

2. To streamline the payment of Mobilization Advance in different departments, a meeting of Engineer-in-Chief / Chief Engineer's of all Engineering Departments was held on 16-11-2005. Further discussions were held in Pay & Accounts Officer's conference on 19-11-2005. Based on these discussions the following Comprehensive Guidelines are issued in regard to payments of Mobilization Advance on Machinery. All the Pay Accounts Officer's are directed to regulate payment of Mobilization Advance on Machinery accordingly:-

1. Mobilization advance on machinery is payable against production of invoices in proof of purchase of the machinery by the contractor/firm/joint venture.
2. The invoices should be on the name of the contractor/firm/joint venture only and the machinery should have been purchased only after the date of conclusion of the agreement for the work on which the payment of mobilization advance is proposed.
3. Mobilization advance is payable against copies of bills in respect of new machinery purchased @ 100% value as prescribed in the agreement. The same is payable in respect of old machinery at 50% of the value (as prescribed in the agreement) as per the registered sale deed.
4. No mobilization advance is payable on the pre-owned machinery prior to conclusion of the agreement for the work or leased machinery or purchased by an individual firm in respect of joint ventures though that individual firm happens to be a partner in the joint venture.
5. It may be prescribed in the agreement that the contractor/firm/joint venture should submit an undertaking to the effect that they have not obtained any mobilization advance from the Government against the machinery for which they are presently claiming payment of mobilization advance. This is to ensure that mobilization advance is paid only once against one purchase. Any wrong declaration, when comes to light, entails recovery of the entire amount paid in a lump from their immediate next work bill.

6. In certain agreements, payment of mobilization advance is also provided on ordered machinery. In all such cases, payments may be made based on the Proforma invoices furnished by the supplying company against the order placed by the Contracting Company.

I.Y.R.KRISHNA RAO.
PRINCIPAL SECRETARY TO GOVERNMENT

To
 The Director of Works accounts,
 Hyderabad.

All Chief Engineer's of Irrigation Department.
 Chief Engineer., Panchayat Raj Department..
 Chief Engineer , Public Health.
 Chief Engineer, Roads & Buildings.
 Chief Engineer, Tribal welfare Department.

Copy is communicated to HODs of all Public Works Engineering Departments. They are requested to bring their guidelines and agreements conditions in conformity with the above guidelines

//FORWARDED BY ORDER //

U Chandrabhakar
 SECTION OFFICER.

Encl. no. DOWA/AS/1106/1207/1 dt 13/12/05

*copy forwarded to all 3 DEAs, P.O.s/P.A.s
 for information and necessary action
 or
 All 5 DEAs/P.O.s/P.A.s*

[Signature]
 JOINT DIRECTOR OF WORKS ACCOUNTS
 M. J. ROAD, HYDERABAD.
 13/12/05